C O N F I D E N T I A L SECTION 01 OF 02 BASRAH 000083

SIPDIS

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TAGS: ECON EINV EWWT IZ
SUBJECT: DUBAI PORTS WORLD VISIT

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CLASSIFIED BY: Won Lee, Acting Director, Regional Embassy Office
Basrah, Department of State.
REASON: 1.4 (b), (d)

¶1. (SBU) SUMMARY: Representatives of the Dubai World (DW)
Holding Company visited Basra on 6 October, to look at potential
infrastructure projects in the province. Dubai World's visit
was facilitated by the Basra Inward Investment Advisor and
included tours of Basra city, the port facilities of Umm Qasr
and meetings during which the guests had the opportunity to
discuss Basra's investment potential with Iraqi counterparts.
This was DW's first opportunity to visit Basra and advance its
interest in major strategic and infrastructure investment
projects. The visit was a step forward for Basra, resulting in
a note signed by Iraqi officials from Basra airport and ports
supporting DW officials in making a successful visit to Baghdad
at the end of this month. This cable is based on reports of the
visit from the British Deputy Consul General and Brian Green.
End Summary.

¶2. (SBU) The delegation included Dubai Ports (a DW subsidiary)
World Vice President Hassan Hadi, Istithmar World CEO Tom
Ronell, the Development Manager of Limitless, Ahmed Al Shareif
and DPW Project Manager Ranjith Powell, as well as Dubai Port
World's contracted security and risk advisor. The delegation
met Chairman of the Basra Investment Commission Dr Haider Ali,
DG of Ports, Basra Development Commissioner Captain Saleh, and
Director of Basra International Airport (BIA) Mr Abd Al-Amir
Ghanim. The group attended a presentation on the investment
climate in Basra which highlighted the establishment of the
Basra Investment Commission, the role of the Basra Economic
Development Strategy, and the availability of financial and
technical advice from the UK PRT. The facilities visited
reflected their potential investment interest - ports, the
airport, construction, real estate, hotels, tourist development.
 Part of the delegation visited Umm Qasr Port, North and South,
as well as the Al Faw peninsula and the Shatt Al Arab. The
remainder visited the city centre, including the Corniche, Basra
Port, the Sheraton Shatt Al Arab Hotel and potential housing
development sites. Both groups then rejoined for a tour of BIA.

¶3. (SBU) At a reception at the airport, attended by Governor
Wa'ili, the visitors optimistically expressed surprise at the
investment potential of Basra. Al Shareif made the flattering
suggestion that Basra could surpass Dubai in the future. The
visitors noted that the security situation had clearly improved
and the presentation of Basra in the media did not reflect the
reality - a far more pleasant environment for investors than
they are led to expect. One member of the visiting teams said he
would "send out the photographs of myself walking in Basra to
all my contacts" to show this. The DW officials reported that
the visit had exceeded their expectations and invited Major
General Salmon, Commander of MND(SE) to Dubai to give a security

briefing to senior members of DW to reinforce the message. MG
Salmon agreed to schedule the visit.

¶4. (SBU) British counterparts report a range of projects were
discussed in separate afternoon discussions and the wrap-up
session, including residential development (10,000 villas in two
projects); hotel and leisure (interest in the Basra Palace , as
well as other property in Basra); airport services and
associated hotel development; a first class hotel in Basra;
possible interest to be discussed in the Grand Port in Al Faw,
Umm Qasr, and in Basra Port, and other projects. The visitors
made the point that if they engaged in Basra other projects by
smaller companies could be conceived and flow from that. Prior
to the visit the company had not formed fixed ideas other than
an interest in Umm Qasr.

¶5. (SBU) The Iraqi officials present which included the
Governor, PC Chairman and several DGs supported DW's planned
visit to Baghdad at the end of this month; they signed a note to
that effect, reflecting the key conclusions of the visit, and
accepted invitations for a reciprocal visit to Dubai.

¶6. (SBU) British Inward Investment Advisor for Iraq Adrian Green
shared with the REO his conclusion that aspects of the visit
demonstrate that:

-       Basra appeals to a range of potential investment interests;
-       current media presentation remains unhelpful to the point
of discouraging investors;
-       the local airport management continue to develop their
capabilities and are now acting as a team;
-       the expert military assistance in visits is crucial and
highly valued by the investors;
-       Dr Haider Ali and other local dignitaries, including the
Governor, are clearly developing their capacity to respond to
investment visits;

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¶7. (SBU) In a subsequent meeting on the same day, the GOC and
the Senior RAF officer reported on the success of the visit to
the outgoing US Transportation Attache and his incoming
replacement, David DeCarme, in person. DPW requested and the
officials present agreed to provide information related to Umm
Qasr port financial and operational performance.

¶8. (CON) Comment: This was a very encouraging visit for the
British PRT and for Basra: the size and scope of potential
investments discussed could significantly improve the economy of
Basra. It would be premature to speculate on how much Dubai
World might one day invest in Iraq, but the visitors did state
that were they to invest in Basra it would be at a major
strategic level, from which could flow a multitude of smaller
initiatives. To quote Mr. Green, `If this all gets off the
ground, we really will be able to say, "Basra means business"'.
Embassy Baghdad may want to follow up separately on the planned
Baghdad visit. End comment.
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